Office of Information Technology Services

Project Portfolio Management Tool

Project Approval Process

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1 Document History

1. Revision History

Revision #	Revision Date	Description of Change	Author
1.0	8/11/2005	Initial Document	J. Tulenko
1.1	9/30/2005	Added Change Request process, clarified Workflow Approval	J. Tulenko
1.2	11/09/2005	Remove note that O&M costs had to be listed on the last month of the project – issue corrected in the PPM tool. Also change hyperlink to workflow process	J. Tulenko
1.3	12/21/2005	Clarify how to use the change request process to adjust the budget from prior months. Agency Approval document required for change requests	J. Tulenko
1.4	3/28/2006	Updated Info About Status Reporting and Gate Review/Approval	C. Richards
1.5	4/21/2006	Clarify Change Request Process	C. Richards

2 Purpose

This document has been created to assist users of the Project Portfolio Management tool with project approvals.

The document is divided into several sections:

- Section 3 explains the typical workflow approval process for projects
- Section 4 explains how the approval process works for projects that have significant changes in scope, budget or schedule - the Project Management Institute’s (PMI) triple constraints
- Section 5 includes other important Project Approval process considerations

3 Project Approvals

The overall project approval process is described in the "Project Approval Workflow" document, which is located at http://www.scio.state.nc.us/PortfolioManagementInitiative.asp under "Additional PPM Tool Material". Projects over $500K are approved for one workflow phase at a time, and are required to return for State Chief Information Office (SCIO) approval before the end of each phase. Projects under $500K are initially approved at the agency and statewide levels (not SCIO) and are then "registered" for the remainder of the project.

The following sections explain how to create a new project in the PPM tool and move it from one phase to the next.

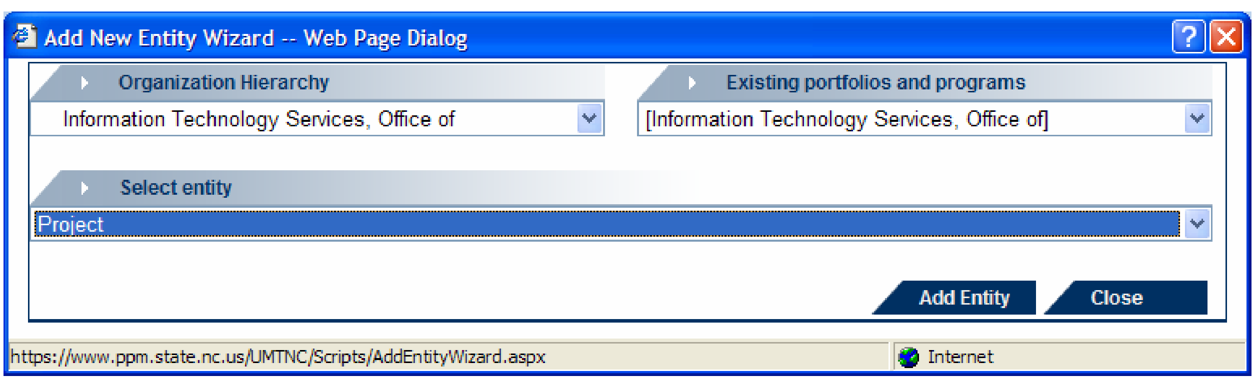
NOTE: Since project data is frozen during the approval process, project status reporting can **NOT** be **initiated** while the project is in the gate review and approval process. The two processes can **NOT** occur at the same time. If it is close to status reporting time, status reports should be done before moving the project into the gate review and approval process.

3.1 Adding a New Project to the PPM Tool

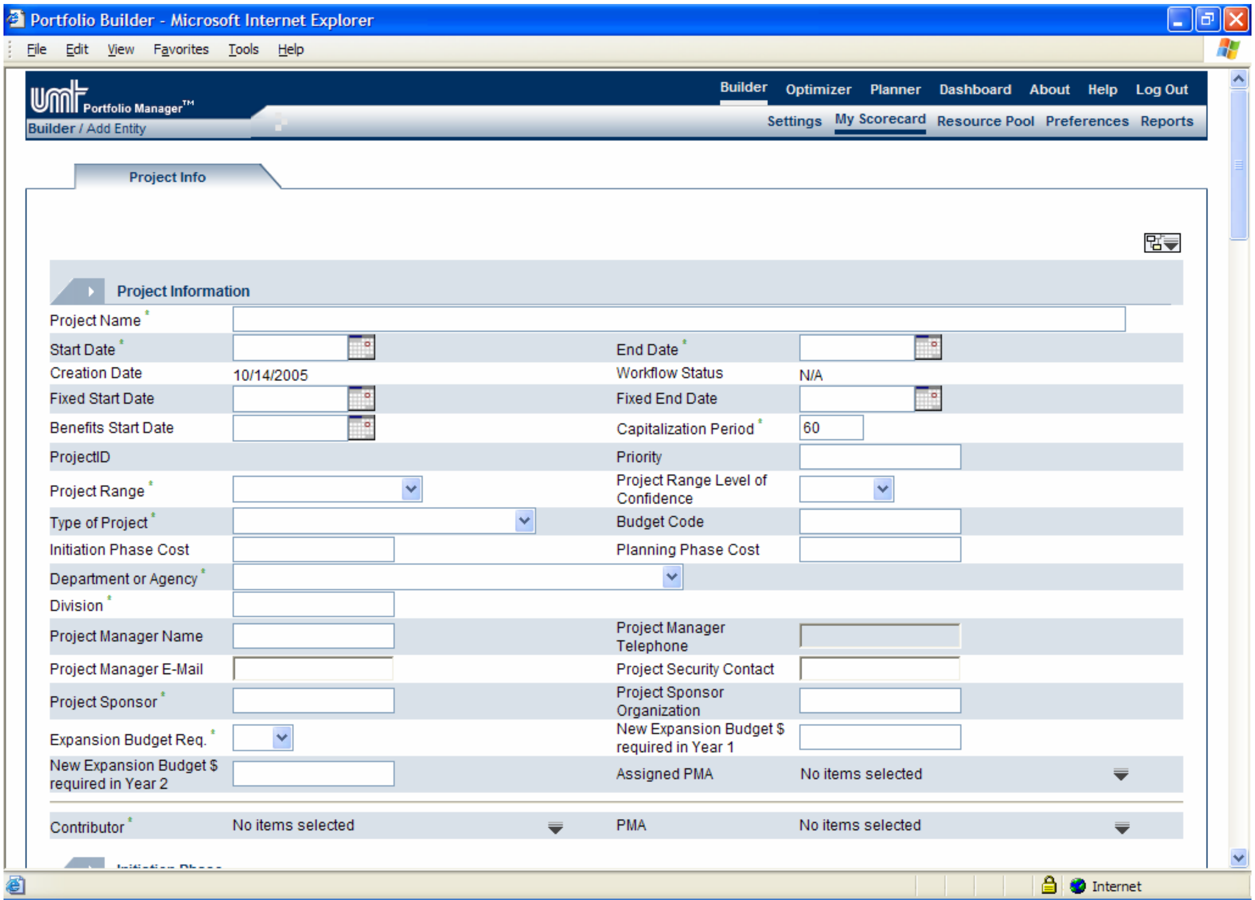
The first step for a new project is to add the project to the PPM tool. This is accomplished by logging into the tool and clicking on the "Add" button at the bottom of the "Portfolio Selector" (or "Builder") screen. From there, you enter:

1. "Organizational Hierarchy" (choose your agency),
2. "Select entity" (choose "Project")

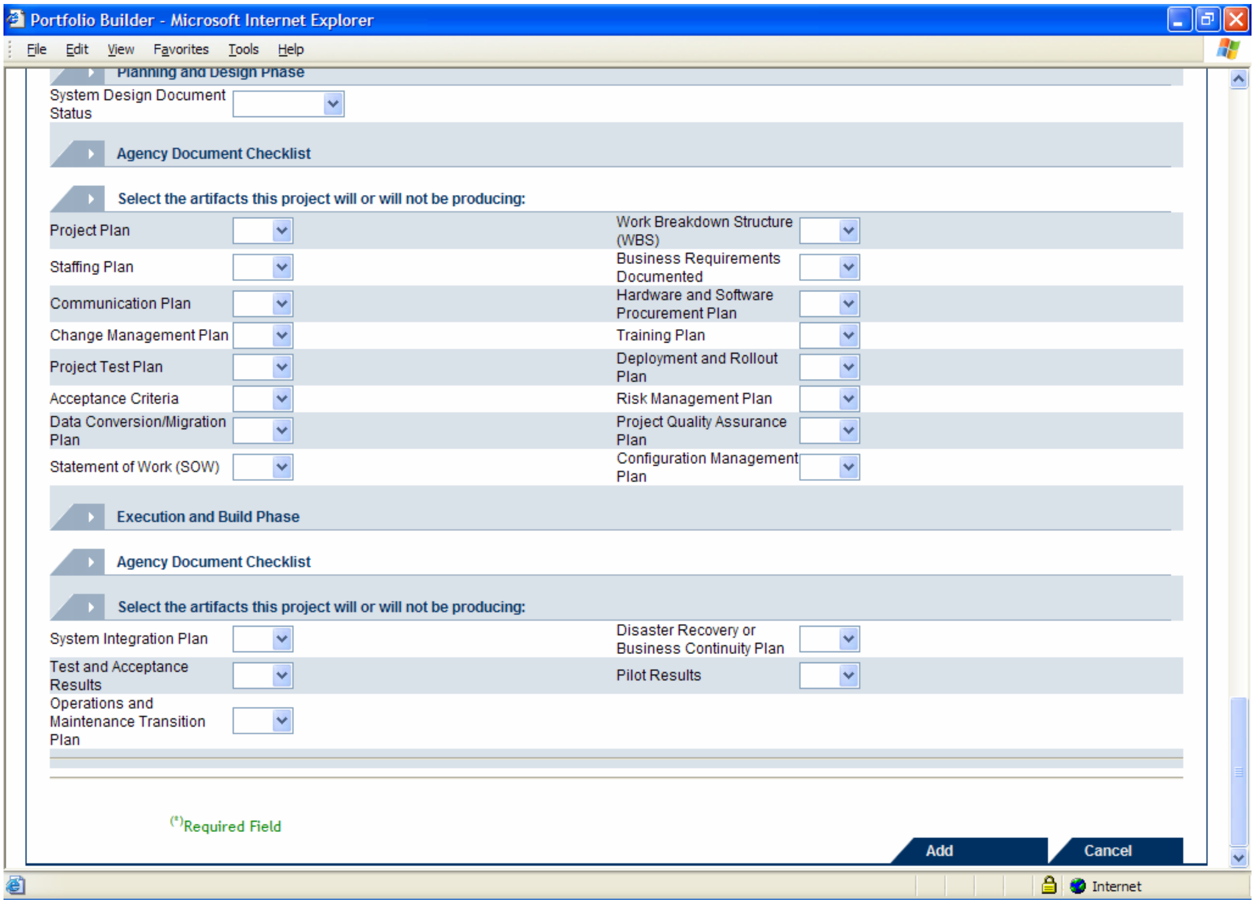
and then click on "Add Entity".



You will then go into the "Project Info" tab for your project. **It is important to note that the next step must be completed within the timeout value in the tool (set to 60 minutes) or you will lose the information you entered.**



At this point you must, at a minimum, add the attributes with a green asterisk "*" next to them, then click on the "Add" button at the bottom of the screen. **Don't forget to include yourself as a "contributor" or you will be unable to edit the project in the future**.

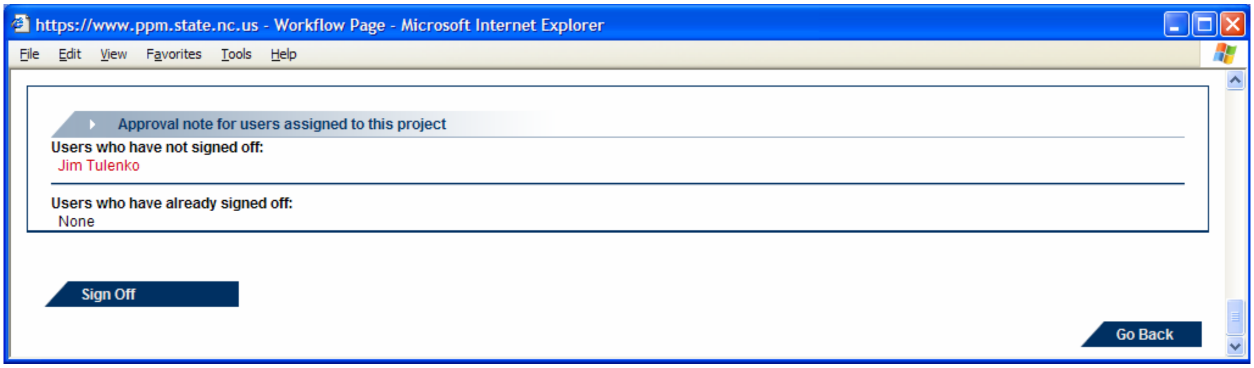


If all the required information is entered, your project will be added and will be available from the "Portfolio Selector" screen for future changes (in order to see the project in the "Portfolio Selector" screen, you will need to log out of the tool and back in).

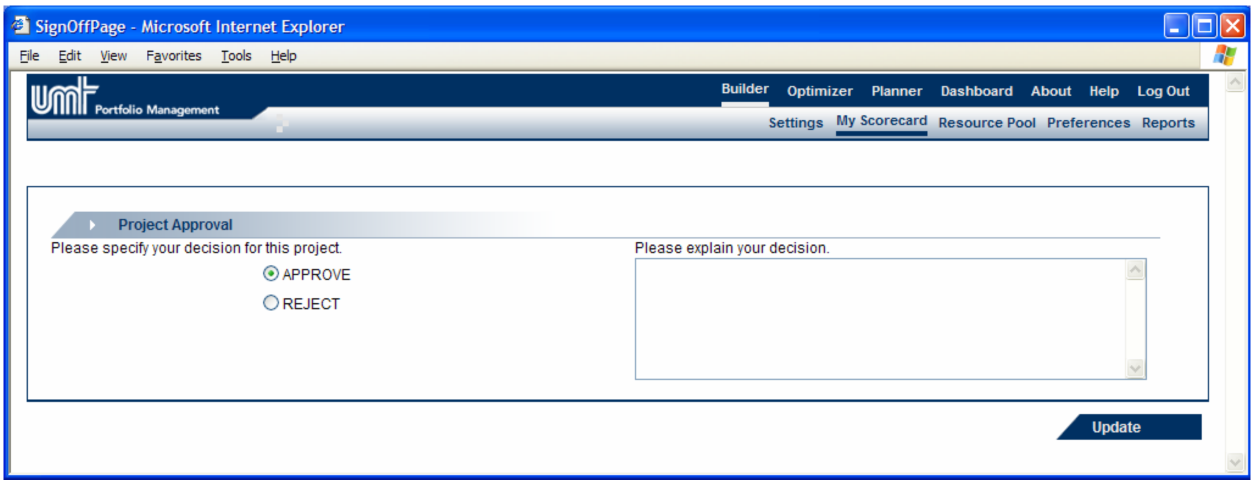
3.2 Project Workflow Approval

3.2.1 Sign Off Process for each stage of a project

When a user (contributor or approver) is ready to "signoff" on the current stage of a project, so that it may advance to the next stage, he/she will start from the "Project Info" tab (in either "edit" or "view" mode), click on the "Workflow" hyperlink to go to the workflow page, then select the "signoff" button at the bottom of that page.



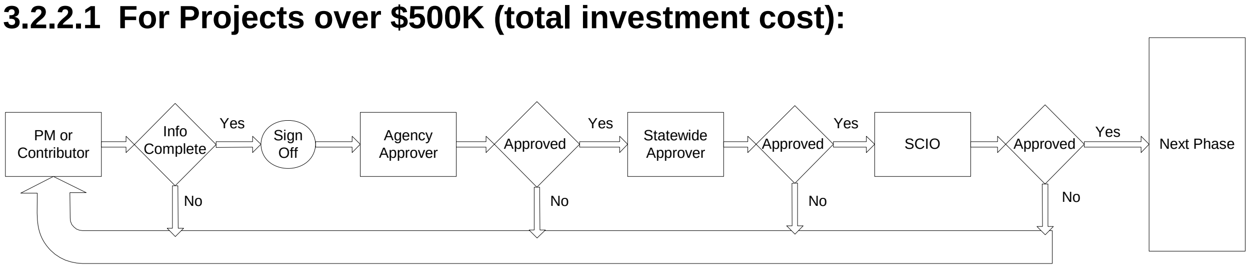
This will bring up a "signoff" page, allowing him/her to choose to "approve" or "reject" the project by selecting the appropriate option and pressing the "update" button in that window.



Approvers may alternatively use the hyperlink in the approval email they receive, which will take them directly to the workflow page. If there is more than one user who needs to sign off, each user has to sign off before the project is moved forward to the next phase.

3.2.2 Overview of the Approval Process for Each Phase of a Project

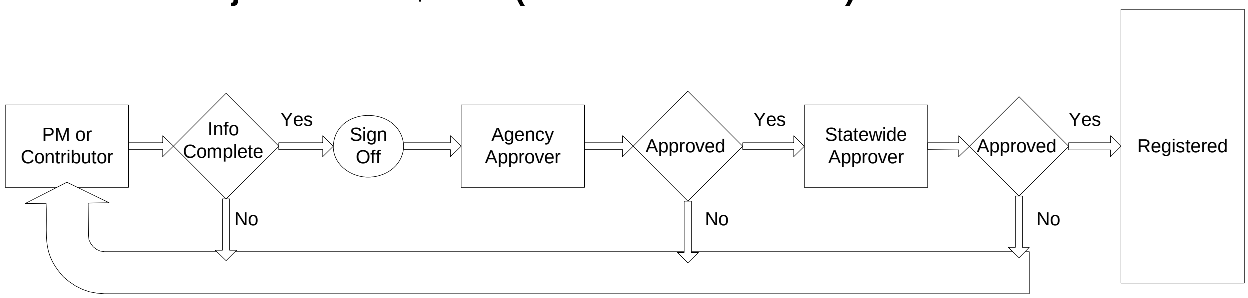
3.2.2.1 For Projects over $500K (total investment cost):



This basic flow is repeated to move the project from "Initiation" to "Planning and Design"; "Planning and Design" to "Execution and Build; and, "Execution and Build" to

"Implementation". Moving from "Implementation" to "Closeout" does not require state level approval and the contributor sign off in "Closeout" moves it directly to the "Closeout Review" stage, where the EPMO QA signs off to move it to "Complete".

3.2.2.2 For Projects under $500K (total investment cost):



Once "Registered", the project stays in that phase until completed, when it is signed off by the contributor(s) and moved to the "Project Closeout", then "Closeout Review" stage, where the EPMO QA signs off to move it to "Complete".

3.2.3 Details of Approval Process

3.2.3.1 Project Manager/Contributor

At each workflow phase of a project, certain information items (artifacts) are required before the project is moved forward for approval. The artifacts required for each phase are listed at the bottom of the NC Workflow document for that phase, and they are described in more detail in the "PPM Tool Definitions" document. Also listed is the "agency document checklist" that contains items that the agency may use based on best practices and the size or complexity of the project.

Project managers/contributors complete the required information and sign off on that phase of the project when they are ready to move the project forward to the next phase (see Sign Off Process for details). If there is more than one contributor, all contributors who were included on the project when it entered this stage have to sign off before the project is moved forward to the next phase.

The tool verifies that certain information has been filled in before allowing the project to move to the agency level approval stage (Note: This verification does not include all of the information required in the workflow document and it does not validate that values used in the field are reasonable). If this information is not completed, the tool will list those fields in red on the "Workflow" window. Where contributors are only responsible for a subset of the required information, they can sign off before all the information is complete. However, if the last contributor signs off without completing the remaining tool-verifiable information, the project will not move forward in the process (for agency-level approval) until a contributor goes back and enters that information, leaving the project hanging in the current stage.

3.2.3.2 Agency Approvers and Reviewers

Agency approvers (typically the agency CIO and CFO) and reviewers are automatically notified via email when the project moves to the agency approval stage. They review the project, and all of the agency approvers have to formally "approve" the project in order for it to move to the state approval stage (see Sign Off Process for details). Approvers have the opportunity to add comments when they approve/reject it (in the comment box that appears when the approvers sign off on the project). After all of the approvers have responded to the submission, if any of the approvers "reject" the project, it moves back to the previous stage and the project manager/contributor receives notification of the rejection. The project manager/contributor has to modify the project in order to resubmit it for agency approval.

If approved at the agency level by all approvers, the project automatically moves to the state level approval stage. At any point in time a user can review the "workflow audit trail" to determine who approved a project and when it was approved and moved to the next step. The audit trail can be found by clicking on the "Workflow" hyperlink on the "Project Info" tab, and then clicking on the "Audit Trail" hyperlink on that screen.

3.2.3.3 Statewide Approvers and Reviewers

Statewide approvers and reviewers are notified via email when the project moves to the statewide approval stage. They review the project, and all of the statewide approvers have to formally "approve" the project in order for it to move to the State Chief Information Officer (SCIO) approval stage (see Sign Off Process for details). Approvers have the opportunity to add comments when they approve/reject it or assign items to the project in the "Issues and Risks" tab of the project. If the approvers add an issue or risk, they will use a "Source" of the specific approver's group (i.e., EPMO, OSBM, OSC, etc). After all of the approvers have responded to the submission, if any of the approvers "reject" the project, it moves back to the pre-agency approval stage and the project manager/contributor(s) receives notification of the rejection. The project manager/contributor(s) has to modify the project in order to resubmit it for agency and then statewide approval. Approvals should generally be completed within seven (7) calendar days of receiving the email notification that the project is ready for review.

If approved at the statewide level by all approvers, projects over $500K automatically move to the State CIO approval stage and projects under $500K automatically move to the "Registered" phase.

3.2.3.4 SCIO Approval

For projects over $500K, the State CIO approvers are notified via email when the project moves to the State CIO approval stage. They review the project and have to formally "approve" the project in order for it to move to the next workflow phase (see Sign Off Process for details). The State CIO approvers also have the opportunity to add comments when they approve/reject it or assign items to the project in the "Issues and Risks" tab of the project (with a "Source" of "SCIO"). If the project is "approved", the budget costs for that next phase are considered approved (when approving for "Implementation", the budget costs for "Closeout" are also approved). If the State CIO approvers "reject" the project, it moves back to the pre-agency approval stage and the project manager/contributor receives notification of the rejection. The project manager/contributor has to modify the project in order to resubmit it for agency, statewide and SCIO approval.

If approved at the State CIO level, the project automatically moves to the next workflow stage.

4 Project Change Requests/Re-Baselining Approval

4.1.1 Overview

The following process should be followed when a **large project** (over $500K) has material changes to the budget, scope and/or schedule. During the Planning & Design phase, this only includes significant changes to the budget, scope and/or schedule of the Planning & Design phase itself, as the other phases have not been baselined.

For **small projects** (under $500K), a change request is not required if the change does not push the total cost of the investment over $500K. If the change request takes the project **over $500K** the “Project Range” attribute on the Project Info tab will need to be updated to reflect the new dollar range of the project. Thus resulting in the project moving back to the Initiation phase and being required to go through the normal approval process for a new project as described above (rather than as a change request). This is required because there are different workflows to follow based on the various project ranges.

4.1.2 Scope Changes

Scope Changes should be approved at the agency level by the project sponsor before being entered into the tool. Once approved by the project sponsor, the Project Manager should update the following information in the tool and notify the ITS assigned Project Management Advisor (PMA) of the changes:

Tab	Attributes Updated
Project Info	• Project Goals • Project Deliverables • Items Out of Scope • Proposed Strategy • High Level Assumptions and Constraints
Status	• Business Functional Requirements (Scope) • “Scope” Indicator Comment
Schedule	• Milestones
Document Management	• New Documents

- **Project Info Tab**:
  - Change the appropriate information in the Project Info tab (such as Project Goals, Project Deliverables, Items Out of Scope, Proposed Strategy, High Level Assumptions and Constraints).
- **Status Tab:**
  - Update the “Business Functional Requirements (Scope)” section with the number of changes to the business functional requirements.

    - Add a comment in the “Indicator Comment” for the “Scope” indicator explaining that the project scope was modified and approved at an agency level so that the Enterprise Project Management Office Quality Assurance (EPMO QA) group understands the reason for the changes in that area.
- **Schedule Tab:**
    - Add or delete any relevant milestones.
- **Document Management Tab:**
    - An agency-approved change request document must be attached to the project work papers in the PPM tool once appropriate approvals have been obtained.

4.1.3 Schedule Changes

Schedule Changes should be approved at the agency level by the project sponsor before being entered into the tool. Once approved by the project sponsor, the Project Manager should update the following information in the tool and notify the PMA of the changes:

Tab	Attributes Updated
Project Info	• End Date
Schedule	• Actual percent complete • Milestones/Phases Forecast dates
Status	• “Milestone” Indicator Comment
Document Management	• New Documents

- **Project Info Tab:**
    - Edit “End Date” if required.
- **Schedule Tab:**
    - Update the “Actual” percent complete for the entire project or a given phase (may actually decrease if the schedule increased).
    - Update the “**forecast**” dates for the appropriate phases and milestones. (The “planned” dates should always contain the original approved planned start/end dates and the “forecast” dates should always contain the latest approved revised planned dates).
- **Status Tab:**
    - Add a comment in the “Indicator Comment” for the “Milestone” indicator explaining that the project schedule was modified and approved at an agency level so that the EPMO QA group understands the reason for the changes in that area.
- **Document Management Tab:**
    - An agency-approved change request document must be attached to the project work papers in the PPM tool once appropriate approvals have been obtained.

4.1.4 Budget Changes

If the cost of a phase will exceed the SCIO approved budget by over 5%, a PPM tool "change request" is required to approve the budget change. Budget changes should be approved by the agency CFO and project sponsor before being entered into the tool. Once approved at the agency level, an agency-approved change request documents must be attached to the project work papers in the PPM tool in the Document Management tab. The process for submitting a change request in the PPM tool is as follows:

1) The Project Manager enters the change request by going to the "Project Info" tab for his/her project (in edit mode) and clicking on the "**Change Request**" button near the top of the window. From there:
    1. Click on the "Add Change Request" tab.
    2. Enter a name and description for this change request. The description should explain reason for the change request in enough detail that the approver can make a decision based on it, including any impact to the benefits estimate. It should also reference any changes to the scope and schedule related to this change.
    3. For "approver" choose the Assistant State Budget Officer for IT from the dropdown list.
    4. Choose the appropriate cost center for the source of the funds.
    5. Click on the "Add" button at the bottom of the screen to create the change request.
    6. A "Cost Breakdown" tab will now appear on the change request screen. Choose that tab and drop down to Level 4 to enter the amount of the budget request in the appropriate fields for the appropriate months, then click the "update" button. These amounts should **ONLY** include the difference between the previously approved budget and the new total amount, **NOT** the entire amount of the project. (It is possible for these numbers to be negative.)

       NOTE: Change requests budget amounts in the "Cost Breakdown" tab can only be made for the current month forward, not for previous months. If a change request is being made to account for differences between the budget and actuals for previous months, put that amount (positive or negative) in the current month in the cost breakdown tab (at level 4). While this may significantly throw off the revised budget amount for the current month, the **total cost** revised budget will be correct for each phase of the project, which is what is used by the EPMO QA group when assessing the project. When this change request is approved (see steps 2 and 3 below), it will also temporarily throw off the totals for the "cost forecast" in the Cost Tracking tab (specifically because the cost forecast for previous months already matches the actuals, and now it is being offset by automatically adding this budget adjustment, which effectively double counts this adjustment (positively or negatively)). However, this will be remedied as soon as actuals are entered in the Cost Tracking tab for this month, overwriting the value in the cost forecast for this month and correcting the overstated amount for the Cost Forecast (be sure to enter (or re-enter) your actuals for the month AFTER the change request is approved). The Cost Tracking tab will also reflect the original budget, approved change requests and revised budget.

2) The Assistant State Budget Officer for IT will receive an email alerting him/her that the change request was submitted. He/She logs onto the tool, edits the project, reviews the change request (including the description and cost breakdown tab) and then either approves or rejects the change request. Approvals should generally be completed within seven (7) calendar days of receiving the email notification that the change request is ready for review.

3) If (and only if) the change is approved, the budget amount shows up in the "Cost Tracking" tab under the "Change Request" section and is included in the "Revised Budget" for that tab (and the actual and forecast variances will be against the revised budget amounts). The Cost Forecast is increased by the amount of the Cost Breakdown in the change request for the appropriate months. The details of the change will continue to be available under the "change request" button on the Project Info tab. The Budget Cost tab continues to contain the original budget costs and will **NOT** contain the change request costs.

4) Before the next status report is submitted, the project manager should update the **Status** tab to:
   a. Adjust the "Total Approved Phase Budget Dollars", "Total Approved Phase Hours" and "Total Phase Estimate Hours" for the appropriate phases with any changes that occur as a result of this change request (the "Estimate to Complete Phase Dollars" will be automatically calculated as a result of the Cost Forecast fields update).
   b. Include comments in the Cost "indicator comments" field explaining the changes in budget so that the EPMO QA group understands the reason for the changes in that area.

Tab	Attributes Updated
Cost Tracking	After change request is approved: • Change Request columns updated • Revised Budget columns updated • Cost Forecast columns updated
Status	After change request is approved: • "Estimate to Complete Phase Dollars" is updated • Phase Variance Percentage Dollars is adjusted Manually Update: • Total Approved Phase Budget Dollars • Total Approved Phase Hours • Total Phase Estimate Hours • "Cost" Indicator Comment
Document Management	• Add New Documents

5 Additional Notes on Approval Process

- While a project is in an approval stage, only certain "tabs" in the project will be editable. These include the "Issues and Risks" tab, and the "Document Management" tab. This is done to "freeze" the project data while it is being reviewed but still allow the approvers to add any relevant issues to the project.
- Projects can be approved (by going into the "Workflow" for that project and signing off on it) even from View mode.
- As projects move through the approval process, issues and/or risks may be added to the project by the approvers and reviewers. Project Managers/Contributors will need to address these issues and risks through the course of the project. For projects that do monthly status reporting (over $500K in total investment cost), the EPMO QA will track the completion of the issues and risks. For smaller projects, the project manager/contributor should work with their EPMO Project Management Advisor (PMA) to track the completion of these issues and risks. Comments made in the "comment section" of the approval signoff will not be formally tracked.
- Since the approval process may take several weeks to complete (between agency, statewide and SCIO approvals), it is highly recommended that the project manager/contributors begin the process approximately one month before they are scheduled to begin the next phase of the project, so that the project is not in a situation where one phase is complete and the next phase is not approved to start.